

C/641/002 Incoming

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United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Green River District, Price Field Office

125 South 600 West

Price, UT 84501

<http://www.blm.gov/ut/st/en/fo/price.html>

JAN 11 2013

IN REPLY PLEASE REFER TO:

3482 (UTG023)

SL-062583 (Lead Mine Lease #)

UTU-73341 (LMU #)

U-63214 (Affected Lease #)

RECEIVED

JAN 14 2013

DIV. OF OIL, GAS & MINING

Certified Mail--Return Receipt Requested

Certificate No. 7011-2970-0002-6022-1251

Mr. Kenneth E. May
General Manager
Canyon Fuel Company, LLC
SUFCO Mine
397 South 800 West
Salina, Utah 84654

Re: Resource Recovery and Protection Plan (R2P2), Further Information, 3 Right 2 South Longwall Panel, SUFCO Mine

Dear Mr. May:

On June 20, 2012, the Bureau of Land Management (BLM), Price Field Office, approved a minor modification to the approved R2P2. This modification added a third longwall panel, 3 Right 2 South, to the 2 South longwall district and shifted the barrier pillar to be placed north between the 3 Right 2 South panel and the sixth North longwall district. As a condition of approval, Canyon Fuel was to submit an evaluation of the economics of first mining the outby one third portion of this longwall panel that would not be longwall extracted. Canyon Fuel responded on August 28, 2012, showing that first mining of the coal would not be economic. However, Sufco's evaluation of longwall mining for the full panel length showed that it would be economic. For the BLM to determine if maximum economic recovery (MER) can be achieved for the 3 Right 2 South panel, new plans and/or justifications are needed.

Canyon Fuel is to submit a new longwall mining plan for the remainder of the panel that would:

1. Achieve MER and evaluate the effects from mining to applicable surface resources to determine if those effects would be minimal or could be mitigated;

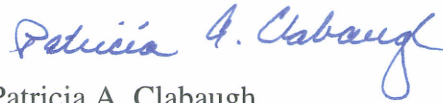
Or,

2. Submit documentation that would show that longwall mining the outby one third of this panel could not satisfy the lease stipulations (including mitigation) in justifying leaving the coal resource.

The BLM, by itself, can only approve minor modifications to the R2P2 that does not affect the surface environment. For mining the remainder of the 3 Right 2 South panel, the BLM will consult with the regulatory authority, Utah Division of Oil Gas and Mining, along with the surface managing agency, Forest Service.

If you have any questions, please contact Stephen Falk at 435-636-3605 or Steve Rigby at 435-636-3604.

Sincerely



Patricia A. Clabaugh
Field Manager

cc: UTG923, Utah State Office

Green River District Office

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